

ASSEMBLY BILL

No. 1473

Introduced by Assembly Member Hertzberg

February 26, 1999

An act to repeal and add Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Division 3 of Title 2 of the Government Code, relating to capital financing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1473, as introduced, Hertzberg. Capital outlay: state planning and funding.

Existing law requires the Director of Finance to prepare annually a report projecting the state's potential need for the financing of major capital outlay projects over a 10-year period. Existing law generally prohibits funds appropriated for capital outlay from being expended by a state agency until the Department of Finance and the State Public Works Board have approved preliminary plans for the project to be financed from the appropriation for capital outlay. Existing law also requires the Governor's Budget to contain a complete plan and itemized statement of all proposed expenditures of the state and all estimated revenues.

This bill would repeal the provisions that require the Director of Finance to prepare a report on major capital outlay and instead would require the Governor, beginning on or after January 1, 2001, to submit annually a 3-year capital expenditure plan to the Legislature that includes proposed

capital improvement projects and their proposed funding sources.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 2 (commencing with Section
2 13100) of Chapter 2 of Part 3 of Division 3 of Title 2 of the
3 Government Code is repealed.

4 SEC. 2. Article 2 (commencing with Section 13100) is
5 added to Chapter 2 of Part 3 of Division 3 of Title 2 of the
6 Government Code, to read:

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8 Article 2. Capital Facilities Funding

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10 13100. As used in this article, “capital improvement
11 projects” mean public projects funded wholly or in part
12 by the state, including projects approved for financing in
13 accordance with the Bergeson-Peace Economic
14 Development and Infrastructure Bank Act (Division 1
15 (commencing with Section 63000) of Title 6.7), to
16 acquire, construct, renovate, improve, modernize,
17 expand, or replace real or personal property, structures,
18 conveyances, equipment, thoroughfares, buildings, and
19 supporting components thereof.

20 13101. On and after January 1, 2001, in conjunction
21 with the budget submitted pursuant to Section 13337, the
22 Governor shall submit annually a capital expenditure
23 plan to the Legislature that includes proposed capital
24 improvement projects. In addition to the Department of
25 Finance, the Governor may order any agency or
26 department of state government, including the
27 California State University, to assist in preparation of the
28 plan.

29 13102. The capital expenditure plan shall cover a
30 period of three years, beginning January 1, 2001.



1 13103. The plan shall identify the proposed funding
2 sources for all projects by general obligation bonds,
3 revenue bonds, lease purchase, installment purchase, or
4 other means.

5 13104. The Legislature shall review, modify, and
6 approve the report and annual updates for purposes of
7 determining capital outlay policies for the state.

8 SEC. 3. This act is an emergency statute necessary for
9 the immediate preservation of the public peace, health,
10 or safety within the meaning of Article IV of the
11 Constitution and shall go into immediate effect. The facts
12 constituting the necessity are:

13 The state faces a significant challenge over the next
14 decade and beyond to address both the deficiencies of an
15 aging public infrastructure and the need for new
16 infrastructure to sustain a growing economy and
17 population. To effectively meet this challenge, the state
18 needs to implement immediately a well-defined process
19 for planning, budgeting, and financing necessary
20 infrastructure improvements. Thus, it is necessary for this
21 act to take effect immediately.

